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C O N F I D E N T I A L SECTION 01 OF 02 CHIANG MAI 000093

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SUBJECT: ANTI-CNS RUMORS BOIL OVER IN NORTH

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CLASSIFIED BY: John Spykerman, Political Officer, CG Chiang Mai, Department of State. REASON: 1.4 (d)

- 11. (C) SUMMARY. Rumors of political undercurrents aligned against the Council for National Security (CNS) are percolating in northern Thailand, with northernmost Chiang Rai a hotspot for gossip on the machinations of former Prime Minister Thaksin Shinawatra, his politically connected relatives, and his Thai Rak Thai (TRT) allies. Local anecdotes making the rounds range from the highly dubious, such as one that predicts Thaksin will cross into Thailand at a northern border town, to more likely suspicions that TRT lieutenants are laying the ground work for future political activities. The rampant speculation over the intentions of Thaksin and his allies adds an attention-grabbing element of starpower to the gossip, distracting from signs of growing antipathy for the CNS among locals and the continued popularity of TRT. End Summary.
- 12. (C) Chiang Rai province, a long-time solid TRT stronghold notable even among the already pro-Thaksin North, has witnessed a flurry of rumors regarding the political situation in recent weeks. Many suspect Thaksin or those loyal to him are using Chiang Rai as a base to organize opposition to CNS leaders. Most rumors have little basis in fact, but show that Thaksin is still capable of capturing the imagination of the local populace and frustrating his enemies. Beneath these rumors, political observers tell the Consulate that many voters in the north are increasingly discontented with the CNS on everything from worsening economic conditions to the lack of inclusion of Buddhism as the national religion in the country's draft constitution.

Rumors Place Thaksin and His Allies Hiding Around Every Corner

¶3. (C) The latest volley of rumors began in mid-April, when reports placed former Natural Resources Minister and Thaksin ally Yongyuth Tiyapairat on the Laos-Thailand border organizing activists for a possible revolt against the government. Yongyuth, detained by the military in the aftermath of the coup, later left the country to pursue a doctoral degree in Texas. Credible sources show that he has remained in the United States since January, although he has been in touch with political contacts in Thailand and received a visit from his sister, also a former TRT MP, in March. Meanwhile, in a shining example of how incredulous local gossip can get, an anti-CNS network told the media this week it expects Thaksin and Yongyuth to rendezvous in Chiang Saen district (the closest town to the Golden Triangle border area with Thailand, Laos, and Burma) on May 29 to launch a legal battle against coup leaders.

- 14. (C) Other rumors placing Thaksin's sister Yaowapha Wongsawat, a former TRT MP herself, in the same border area opposite Chiang Rai province are more credible. According to news reports, in early May Yaowapha met with TRT activists and former TRT MPs in Chiang Rai and on the Lao side of the border in Ban Huay Xai, whose local banks have long been suspected of playing a role in various money laundering and vote buying schemes in Thai elections. Previously, Yaowapha had evaded the CNS's demands that she report herself following the coup and took up a low profile until a few months ago when she began attending a number of public events.
- 15. (C) Former TRT MP from Chiang Rai Samart Kaewmechai told the Consulate that Yaowapha was in town for the ordination into the monkhood of another former Chiang Rai MP. He dismissed rumors of large-scale anti-CNS organizing, noting that Yongyuth and Yaowapha were rivals in TRT. However, many say Yaowapha and other MPs are busy laying the foundation for a future TRT election campaign. Whether TRT survives the impending decision on dissolution or not, many expect northern TRT leaders to strongly contest elections in Chiang Rai and other strongholds, either under the TRT banner or under a reconstituted grouping of alliances and interests. Samart denied the existence of a "Thaksin pipeline" of cash for political activists and supporters, but TRT activists have already begun to set the tone for their campaign.

Behind the Gossip, TRT Reaches Out to Voters

16. (C) With rumors of anti-CNS activities grabbing headlines, Samart said TRT was busy restoring ties to local communities in Chiang Rai and elsewhere. Samart said that villagers have now experienced enough of the CNS to compare its performance to the Thaksin government and reviews for the government's first eight months are not promising. Samart said villagers have told TRT leaders they blame the government for falling crop prices and an overall slowdown in economic growth. Like much of the country, they see the government "shifting to neutral gear" and failing to act on issues of importance to locals. Meanwhile, TRT members

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are quick to remind locals that still-popular government healthcare and social welfare programs originated under Thaksin.

17. (C) Samart said the specifics of the constitutional drafting process have not registered much with local voters. While some hot button issues have attracted interest, such as enshrining Buddhism as the national religion in the constitution (which Samart said northerners strongly support), most view the drafting process as a forgone conclusion decided in Bangkok without their input. Samart said villagers will likely toe the line set by their former TRT MPs when the draft charter comes to a vote, an unpromising sign for the government given that TRT MPs have sharply criticized proposals to reduce the number of MPs and largely view the draft constitution process as an effort to kill off the party.

Comment: The Thaksin Boogeyman Distracts CNS From TRT's Continued Influence

18. (C) Despite the fictitious rumors placing Thaksin and his associates across the border plotting nefarious activities and publicity stunts, TRT loyalists here in the north are indeed maneuvering to play a strong role in Thailand's political future. That these rumors of Thaksin's whereabouts have captured the public's imagination show that CNS leaders remain fixated on Thaksin at the expense of a coherent outreach to locals in former TRT strongholds whose support they will need to pass the draft constitution and secure their own political futures. While military leaders fret over who saw whom where and when, TRT leaders are busy re-establishing their political networks, lobbying influential village leaders for support, and trumpeting the successes of the Thaksin government over the missteps of the current regime. These TRT political maneuverings are likely to cause larger headaches for the government during election time than the latest worst-nightmare scenarios conjured up by

 $\begin{array}{ll} \text{rumormongers. End Comment.} \\ \text{CAMP} \end{array}$